



DEPARTMENT OF THE ARMY
HEADQUARTERS UNITED STATES ARMY FORCES COMMAND
1777 HARDEE AVENUE SW
FORT MCPHERSON GEORGIA 30330-1062

REPLY TO
ATTENTION OF

AFLG-PR

4 November 1997

MEMORANDUM FOR SEE DISTRIBUTION

SUBJECT: Contracting Information Letter (CIL) 98-4

1. This CIL contains information on the following subjects:

- a. Career Program 14 Update,
- b. FY 98 Competition Goal,
- c. Purchase Card Program - Split Purchases,
- d. List of Approved Surety Companies,
- e. Assuring Year 2000 Compliance in Information Technology (IT) Contracts, and
- f. FY 98 Catalog of Army Civilian Training, Education and Professional Development Opportunities.

2. Career Program 14 Update.

- a. Reference memo, SARD-PM, dated 7 October 1997, SAB (encl 1).

b. This memo contains the vision of Mr. Edward G. Elgart, the new Functional Chief's Representative for Career Program 14. As you can see, education and training is a top priority of Mr. Elgart. All members of the Army Acquisition Workforce are strongly encouraged to take advantage of the training and education opportunities available. For additional information, please contact Clyde Thomas at DSN 367-6372.

3. FY 98 Competition Goal.

- a. Reference memo, AFLG-PR, dated 22 October 1997, SAB (encl 2).

b. The Forces Command competition goal for FY 98 is established at 96 percent. This goal is based on historical achievement. The Command continued its commitment to competition in FY 97, achieving a competition rate of 96.9 percent. For additional information, please contact Ms. Judith Blake at DSN 367-7175.

AFLG-PR

SUBJECT: Contracting Information Letter (CIL) 98-4

4. Purchase Card Program.

a. Split Purchases.

Reference 1st End, AFLG-PR (SARD-PI/3 Oct 97), 22 Oct 97, subject: Purchase Card Program - Split Purchases (encl 3). Purchase card fraud is gaining attention due to recent audit results. Splitting purchases, prohibited by FAR 13.602(c) and AFARS 13.9003(a), is of particular concern. Cardholders who willfully and repetitively segregate requirements in order to stay within their single purchase limit should have their cards canceled and appropriate disciplinary action taken.

b. Hazardous Material.

Management controls must ensure full visibility of hazardous materials on the installation; ensure the least toxic and least amount of hazardous materials are acquired, stored, or used; and ensure that all such materials are properly handled, stored, and disposed of. For this reason, safety offices must be involved in the training of cardholders and approving officials to assure they understand their responsibilities. As a minimum, a list of items requiring notification to the safety office should be developed and provided to cardholders, and the safety officer should be available during cardholder training to answer questions. Additional guidance from DA is forthcoming.

For additional information, please contact Ms. Pat Boterweg at DSN 367-5486.

5. List of Approved Surety Companies. Treasury Department Circular 570, Companies Holding Certificates of Authority as Acceptable Sureties on Federal Bonds and as Acceptable Reinsuring Companies can be accessed on the internet at <http://www.fms.treas.gov/c570.html>. For additional information, please call Ms. Judy Armstrong at DSN 367-5559.

AFLG-PR

SUBJECT: Contracting Information letter (CIL) 98-4

6. Assuring Year 2000 Compliance in Information Technology (IT) Contracts.

a. Reference memo, SARD-PP, dated 21 October 1997, SAB (encl 4).

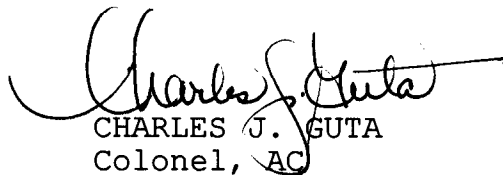
b. To ensure satisfactory functionality in information technology (IT) equipment between the 20th and 21st centuries, SARDA has developed language which should be incorporated into future solicitations for new IT equipment. Language is also provided to modify existing information technology supply and maintenance contracts as deemed appropriate. In addition to this language, the use of warranties is encouraged if they are in accordance with FAR Subpart 46.7.

7. FY 98 Catalog of Army Civilian Training, Education and Professional Development Opportunities.

a. Reference memo, SARD-PM, dated 15 October 1997, SAB (encl 5).

b. The Office of the Assistant Secretary of the Army (Manpower and Reserve Affairs) has posted its 1998 catalog on the internet (<http://www.cpol.army.mil>). Pay special attention to the CP-14 Career Program section. Training has been expanded in the areas of Acquisition Reform and Executive Training which will enhance CP-14 career opportunities.

5 Encls
as



CHARLES J. GUTA
Colonel, AC

Chief, Contracting Division, DCSL&R
Principal Assistant Responsible
for Contracting

OCT 15 1997



REPLY TO
ATTENTION OF

DEPARTMENT OF THE ARMY
OFFICE OF THE ASSISTANT SECRETARY
RESEARCH DEVELOPMENT AND ACQUISITION
103 ARMY PENTAGON
WASHINGTON DC 20310-0103

17 OCT 1997

SARD-PM

MEMORANDUM FOR SEE DISTRIBUTION

SUBJECT: Career Program 14 Update

It is with pleasure that I assume the duties of Functional Chief's Representative (FCR) for Career Program 14. I would like to join you in thanking Ms. Esther Morse, the previous FCR, for her outstanding efforts in growing our Career Program. I have empowered Dr. Jim Edgar of my staff and the Contracting Career Program Office to assist and serve you as you progress in your career. They are dedicated to helping all of you continue to grow professionally.

During the past few months, a great deal has been accomplished. We have stood up Acquisition Reform training and significantly expanded executive and management training. Our career program members have benefited greatly from the Army Tuition Assistance Program as well as the CP-14 university training program.

I want to encourage all of you to continuously improve your personal professional standing. Non-degreed careerists should be working on obtaining a degree. Those with a baccalaureate degree should be working on their master degree. It is a dynamic, changing environment, and we have to make sure that we are world class. It is important that each and every one of you take at least 40 hours of training (technical, management or executive) in the career field every year. I also highly endorse the Army's leader development program and attendance at the Army Management Staff College especially.

We are in the process of instituting a new awards program to recognize our contracting professionals and have undertaken measures to increase the education levels and opportunities of our contracting professionals. Recently Dr. Edgar's office has been recognized as an official sponsor of Continuing Education Units; more information on this effort will be coming soon. In the coming months we plan to have a new ACTEDS Plan, start awarding CEUs, and increase our executive and management training and education programs. Efforts are under way to improve communications with the field and upgrade the intern program.

ENCL 1



I fully support these initiatives and I am committed to the further professionalization of the contracting professionals in the Army.



Edward G. Elgart
Functional Chief's Representative
Civilian Contracting and
Acquisition Career Program

DISTRIBUTION:

HEADS OF CONTRACTING ACTIVITIES

Administrative Assistant to the Secretary of the Army, 105 Army
Pentagon, Washington, DC 20310-0105
Assistant Deputy Chief of Staff for Research, Development and Acquisition
(Acquisition, Contracting and Production Management), HQ, U.S. Army
Materiel Command, ATTN: AMCRDA-A, 5001 Eisenhower Avenue,
Alexandria, VA 22333-0001
Commander, U.S. Army Aviation and Missile Command, ATTN:
AMSAM-CG, Redstone Arsenal, AL 35898-5000
Commander, U.S. Army Communications-Electronics Command,
ATTN: AMSEL-CG, Fort Monmouth, NJ 07703-5000
Commander, U.S. Army Industrial Operations Command,
ATTN: AMSIO-CG, Rock Island, IL 61299-6000
Commander, U.S. Army Tank-automotive and Armaments Command,
ATTN: AMSTA-CG, Warren, MI 48397-5000
Commander, Forces Command, ATTN: AFCG, Fort McPherson GA
30330-6000
Deputy Commander, U.S. Army Forces Central Command,
1881 Hardee Avenue SW, Fort McPherson, GA 30330-1064
Deputy Commander for Health Care Operations, 2050 Worth Road, Fort
Sam Houston, TX 78234-6000
Commander, U.S. Army Intelligence & Security Command, ATTN: IACG,
Fort Belvoir, VA 22060-5246
Commander, U.S. Army Medical Research and Materiel Command, ATTN:
MCMR-ZA, 504 Scott Street, Fort Detrick, MD 21702-5012
Commander, U.S. Army Military District of Washington, Fort Lesley J.
McNair, ATTN: ANCG, Washington, DC 20319-5058



DEPARTMENT OF THE ARMY
HEADQUARTERS UNITED STATES ARMY FORCES COMMAND
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REPLY TO
ATTENTION OF

AFLG-PR

22 Oct 97

MEMORANDUM FOR U.S. Army Contracting Support Agency
ATTN: SFAE-CSA-COT (C. Riley), 5109 Leesburg
Pike, Suite 916, Falls Church, Virginia 22041-
3201

SUBJECT: FORSCOM Competition Goal for FY 98

1. Forces Command Competition Goal for FY98 is 96 percent. This represents \$768 million out of next year's estimated base of \$800 million available for competition.
2. Forces Command achieved a 96.9 percent competition rate in FY97. This represents \$769 million competed out of a base of \$793 million.
3. Should you have any questions, please call me at DSN 367-7175 or commercial (404) 464-7175.


JUDITH W. BLAKE
Special Competition Advocate

AFLG-PR (SARD-PI/3 Oct 97) (715) 1st End
SUBJECT: Purchase Card Program - Split Purchases


Commanding General, U.S. Army Forces Command, 1777 Hardee Avenue,
SW., Fort McPherson, GA 30330-1062

OCT 22 1997

FOR Commanders, FORSCOM Installations

1. Basic correspondence is forwarded for your information and is to be shared with all purchase card program cardholders, approving officials, agency program coordinators, and other individuals responsible for oversight of the purchase card program on your installation.
2. This command has the most successful purchase card program in the Army. Instances of purchase card abuse must be dealt with promptly and appropriately. Request you use all available resources to ensure that the purchase card program on your installation complies with regulatory and statutory guidance.
3. For additional information, contact Mrs. Pat Boterweg, DSN 367-5486.

FOR THE COMMANDER:


JOHN M. PICKLER
Lieutenant General, USA
Chief of Staff



DEPARTMENT OF THE ARMY
OFFICE OF THE ASSISTANT SECRETARY
RESEARCH DEVELOPMENT AND ACQUISITION
103 ARMY PENTAGON
WASHINGTON DC 20310-0103

03 OCT 1997

REPLY TO
ATTENTION OF

SARD-PI

MEMORANDUM FOR SEE DISTRIBUTION

SUBJECT: Purchase Card Program - Split Purchases

During recent reviews, auditors found instances when cardholders "split" requirements in order to avoid forwarding a purchase request to the purchasing office. The purpose of this memorandum is to provide guidance to cardholders, approving officials, agency program coordinators and individuals performing oversight audits on what constitutes "split purchases." This information is to be provided to all cardholders, approving officials, agency program coordinators and individuals responsible for oversight of the purchase card program.

The Federal Acquisition Regulation at 13.602(c) states that requirements aggregating more than the micro-purchase threshold shall not be broken down into several purchases that are less than the threshold merely to permit purchase. The Army Supplement to the Federal Acquisition Regulation at 13.9003(a) states that purchases shall not be split in order to stay within the single purchase limit. Approving Officials now certify that purchases have not been split into smaller segments to stay under the micro purchase limit.

An improper "split" in the purchase card program generally involves the willful reduction of a requirement which could be purchased from the same merchant or vendor in an effort to keep the total price of the purchase at or below the cardholder's single purchase threshold. To determine if a requirement was split, one must determine what the "requirement" was at the time of the purchase. Typically, the known needs of an organization/activity by the cardholder at the time of the purchase constitutes the requirement. If a cardholder typically purchases items when [s]he becomes aware of a need, the requirement is considered that instant quantity (need). If, on the other hand, the cardholder typically waits to purchase, the requirement becomes the total needs received up to the point of ordering, regardless of what is being ordered and by whom. Splitting those needs (requirement) into individual



purchases is improper unless no one vendor has the capability to satisfy the full requirement. If the requirement exceeds the cardholder's single purchase limit, [s]he cannot buy the items with the card and must forward the requirement to a person with the authority to buy at that level.

Splitting and other cardholder abuses threaten to undermine the benefits the Army is obtaining with the use of the card. I expect each of you to assure proper implementation of the card program within your respective commands. Instances of cardholder abuse (to include splitting) should be met with clear and decisive actions (to include disciplinary actions by the approving official) against the cardholder. At a minimum, repetitive instances of splitting by a cardholder, or the failure of the approving official to take action, shall constitute justification for the local program coordinator to cancel the card. Inaction by approving officials shall constitute justification for cancellation of all cards under the approving official.



Kenneth J. Oscar
Acting Assistant Secretary of the Army
(Research, Development and Acquisition)

DISTRIBUTION:

Administrative Assistant to the Secretary of the Army, 105 Army
Pentagon, Washington, DC 20310-0105

Head of Contracting Activity, HQ, U.S. Army Materiel Command,
ATTN: AMCRDA-A, 5001 Eisenhower Avenue, Alexandria, VA
22333-0001

Commander, U.S. Army Communications-Electronics Command,
ATTN: AMSEL-CG, Fort Monmouth, NJ 07703-5000

Commander, U.S. Army Industrial Operations Command,
ATTN: AMSIO-CG, Rock Island, IL 61299-6000

Commander, U.S. Army Aviation and Missile Command, ATTN:
AMSAM-CG, Redstone Arsenal, AL 35898-5000

Commander, U.S. Army Tank-automotive and Armaments Command,
ATTN: AMSTA-CG, Warren, MI 48397-5000

OCT 27 1997



REPLY TO
ATTENTION OF

DEPARTMENT OF THE ARMY
OFFICE OF THE ASSISTANT SECRETARY
RESEARCH DEVELOPMENT AND ACQUISITION
103 ARMY PENTAGON
WASHINGTON DC 20310-0103

21 OCT 1997

SARD-PP

MEMORANDUM FOR SEE DISTRIBUTION

SUBJECT: Assuring Year 2000 Compliance in Information Technology (IT) Contracts

Because of the concerns expressed throughout Army about whether or not the Government has appropriate and effective remedies in place to ensure satisfactory functionality of information technology equipment between the 20th and 21st centuries, we have developed language which should be incorporated into future solicitations for new information technology contracts. Language is also provided to modify existing information technology supply and maintenance contracts as deemed appropriate.

In addition to the above cited language, the use of warranties is permitted and encouraged if they are used in accordance with FAR Subpart 46.7. This includes tailoring of appropriate clauses such as 52.246-19 and 52.246-20 to indicate that Year 2000 Compliance is warranted, and to state that the warranty period runs through a particular date (e.g., December 31, 2002). In addition to the remedies available under the Inspection and Acceptance clauses (i.e., rejection or pursuit of a latent defect claim), warranty clauses provide other remedies against contractors that furnish nonconforming information technology products or services. Warranties may be cost-effective for many mission-critical systems; and the warranty clause may have a defect-prevention effect that is far more valuable than any monetary recoveries that might ever be sought under such clauses.

Use of the solicitation language in conjunction with appropriate use of tailored warranty clauses should provide the flexibility and protection of Government's interests we need in procuring critical information technology products.

Point of contact for this action is Mrs. Esther Morse, DSN 761-1040, Commercial (703) 681-1040.

A handwritten signature in black ink, appearing to read "John R. Conklin", is positioned above the printed name and title.

John R. Conklin
Director

Procurement and Industrial Base Policy

Enclosure



RECOMMENDED LANGUAGE FOR INCLUSION IN CONTRACTS FOR COMPUTER HARDWARE, SOFTWARE AND STEMWARE

For new contracts, the contracting office, when soliciting or awarding contracts for newly developed or commercial off-the-shelf products or systems consisting of hardware, software, firmware, middleware, or a combination thereof, shall use the following language, tailored as appropriate, in performance specifications, statements of work, or descriptions of tasks under task order contracts.

The contractor shall ensure products provided under this contract, to include hardware, software, firmware, and middleware, whether acting along or combined as a system, are Year 2000 compliant as defined in FAR Part 39.

For existing IT supply and maintenance contracts, the Contracting Office, when modifying an existing supply or maintenance contract for hardware, software, firmware, middleware or combinations thereof which will continue in use beyond December 31, 1999, shall use the following language, tailored as appropriate, in performance specifications, statements of work, or descriptions of tasks under task order contracts.

The contractor shall accomplish and document modifications necessary to ensure products previously provided, or products to be provided or maintained in the future under this contract, to include hardware, software, firmware, and middleware, whether acting along or combined as a system, shall be Year 2000 compliant as defined in FAR Part 39.



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103 ARMY PENTAGON
WASHINGTON DC 20310-0103

OCT 27 1997

15 OCT 1997

SARD-PM

MEMORANDUM FOR SEE DISTRIBUTION

SUBJECT: FY 1998 Catalog of Army Civilian Training, Education and
Professional Development Opportunities

Request you notify your contracting organizations and personnel that the Office of the Assistant Secretary of the Army (Manpower and Reserve Affairs) has posted its FY 1998 Catalog on the internet (<http://www.cpol.army.mil>). Please review the new catalog, especially the CP-14 Career Program section and note the changes to our Competitive Professional Development Program. Training has been expanded/authorized in the areas of Acquisition Reform and Executive Training, which should enhance considerably CP-14 career opportunities.

In addition, the application process has been streamlined and made interactive. You may access the web site by using the email address indicated and then select the catalog from the table of contents.

Should you have any questions, my point of contact for this action is Don Tucker, DSN 761-1046, COM 703-681-1046, E-MAIL: tuckerd@sarda.army.mil.

Edward G. Elgart
Functional Chief's Representative
Civilian Contracting and
Acquisition Career Program

DISTRIBUTION:
PRINCIPAL ASSISTANTS RESPONSIBLE FOR CONTRACTING
HQ, U.S. Army Materiel Command, ATTN: AMCRDA-AC (PARC),
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